

**Draft Statement of Congressman Jim McDermott, WA 7th
Congressional District
Ways and Means, Health Subcommittee
Hearing on Medicare Advantage
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You know, I have always heard that Republicans are the party of big business. So many of our best and brightest in this country go into corporate America to provide the United States and the entire world with the best goods and services, at the most competitive price. That is the nature of our dynamic free-market economy, which is the envy of the world. So I find it beyond strange that Mitt Romney, the standard bearer for the Republican Party and someone who touts his business experience as his primary qualification for the White House, is now out there talking about “restoring the cuts” to Medicare, including \$154 billion dollars to the Medicare Advantage program.

Did Mitt Romney forget what he did all those years as a turnaround specialist? I'm a medical doctor, but I understand that he bought companies, and found ways to make them more efficient and more profitable.

I wonder how Mitt Romney would have reacted if one of his associates said to him: **“Hey—I’ve figured out that one of the companies in our portfolio has been overpaying for things, and we can cut that waste from its balance sheet. It will save the business 154 billion dollars over ten years, without compromising quality or customer service.”** Wow! Do you think he would be interested in that? Do you think his private-equity investors would want to capture that savings? The answer, I think, is obvious.

But instead the Republican nominee is out there saying—“Repeal Obamacare!” “Restore the cuts to Medicare.” That’s like saying—“Let’s go flush \$154 billion dollars down the drain!” This is not what gets you promoted at Bain Capital. Why would Mitt Romney squeeze all the savings possible out of Staples, or Domino’s Pizza, or Sports Authority—but not want to capture that savings for the American taxpayer? It just doesn’t make sense. And by the way, these savings help to stave off bankruptcy for Medicare for a decade. Anyone with a business mind ought to be interested in that proposition.

But of course, the ultimate irony: the Paul Ryan Republican-endorsed Budget includes those same cuts! I can draw only one conclusion from that: the Republicans do indeed support conserving \$154 billion dollars for the taxpayer—as long as the Democrats can't get any credit for it!

Everyone knows that Medicare has been overpaying these plans. And the evidence now confirms that this was the case; as CMS announced earlier this week, the Medicare Advantage program remains very healthy in the age of Obamacare. Premiums are stable, and enrollment is up. More than 30 percent of Medicare beneficiaries in my district are in Medicare Advantage, so I am certainly concerned about whether these folks have appropriate choices and coverage.

A word about the Quality Bonus payments: Some of you may know that I am not a fan of our system of private insurance and for-profit health insurance in particular. I have advocated for a publicly financed single-payer health care system during my entire career here in Congress. But until we summon the will to change the role of private insurance in our system, I do think it makes sense to pay for quality, and I applaud the Administration for doing what it thinks is necessary to make the program work. This shouldn't be a partisan issue.

There has to be a way for seniors to measure which are the best plans when they sign up. In my district of Seattle, Group Health--one of the most respected health systems in the country--also operates the largest Medicare Advantage plan in the state of Washington. It is also one of only nine plans in the country with a five-star rating, and this reflects the culture of Seattle, where the people believe in great health care as a human right. I am proud that seniors in my district have access to this level of care.

In any event, the politics around all of this continue to astound me. Dr. Bill Frist is now experiencing a public conversion, and is out there touting all of the innovations of Obamacare, now that he doesn't have to toe the party line. Mitt Romney has seemingly experienced a conversion in reverse--going from supporting health care as an entitlement to fighting so vigorously against it. Hopefully, one day we will see the Republican party get its act together and come up with a constructive, coherent position on how we as a nation are going to finally focus on the public good and solve our access and cost problems.